

IN THE SUPREME COURT OF THE STATE OF ALASKA

WILLIAMS ALASKA PETROLEUM, INC., and
THE WILLIAMS COMPANIES, INC.

Appellants,

v.

STATE OF ALASKA, et al.

Appellees.

Supreme Court No. S-17772

RESPONSE TO AMENDED STATUS REPORT

In response to the Amended Status Report on Trial Court Case filed by Williams Alaska Petroleum, Inc. and The Williams Companies, Inc. on June 5, 2020, the State of Alaska, Flint Hills Resources Alaska, LLC and Flint Hills Resources, LLC state the following:

1. The Superior Court entered a Final Judgment on March 23, 2020. The Final Judgment was distributed to the parties on March 23, 2020. A copy of the Final Judgment is attached.
2. On April 21, 2020, Williams filed a Notice of Appeal.
3. On May 11, 2020, Williams filed a Motion for New Trial (Civil Rule 59) and a Motion to Alter and Amend the Judgment (Civil Rules 52(b), 59(f) and 60(b)). Pursuant to Alaska Appellate Rule 204(a)(3), the filing of Williams' Rule 52(b) and Rule 59 motions terminated the running of the time for filing a

RESPONSE TO STATUS REPORT

Williams Alaska Petroleum, Inc. et al v. Flint Hills Resources Alaska, LLC et al.

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Notice of Appeal from the Final Judgment.

4. On June 4, 2020, the Superior Court denied Williams' Motion for New Trial. A copy of the order is attached.
5. Williams' Motion to Alter and Amend the Judgment has been fully briefed. The Motion is pending.

DATED: June 5, 2020

PERKINS COIE LLP

/s/ James N. Leik

James N. Leik

Alaska Bar No. 8111109

**Attorneys for Appellees
Flint Hills Resources Alaska, LLC and
Flint Hills Resources, LLC**

**KEVIN G. CLARKSON
ATTORNEY GENERAL**

/s/ Steven E. Mulder

Steven E. Mulder

Chief Assistant Attorney General

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 5, 2020, a true copy of the foregoing document was sent to the following by electronic mail pursuant to Civil Rule 5.1(c):

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/s/ Tae Kim

Legal Practice Assistant

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
FOURTH JUDICIAL DISTRICT

STATE OF ALASKA,)	
)	
Plaintiff,)	
)	
vs.)	Case No. 4FA-14-01544 CI
)	CONSOLIDATED
)	
WILLIAMS ALASKA PETROLEUM, INC.,)	
et al.,)	
Defendants.)	
)	
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FINAL JUDGMENT

For the reasons specified in the Court’s Memorandum of Decision of January 3, 2020, the Court hereby enters Final Judgment pursuant to Alaska Civil Rule 54(b) on the Plaintiff State of Alaska’s claims against Defendant Williams. Alaska Petroleum, Inc., and on the cross- and counter-claims of Flint Hills Resources Alaska, LLC and Flint Hills Resources, LLC (collectively referred to as “Flint Hills”) against Defendants Williams Alaska Petroleum, Inc. and The Williams Companies, Inc., and on the cross- and counter-claims of Defendants Williams Alaska Petroleum, Inc., and The Williams Companies, Inc.

The Court hereby finds that there is no just reason for delay, and directs entry of judgment pursuant to Alaska Civil Rule 54(b) as follows:

The State of Alaska’s Claims

1. The State of Alaska is granted affirmative relief on its claims against Williams Alaska Petroleum, Inc. under Count No. 1 (Injunctive Relief), Count No. 2 (Cost Recovery), Count No. 3 (Declaratory Relief for Future Response Costs), Count No. 4 (Civil Assessments), and Count No. 5 (Natural Resource Damages and Restoration Costs).

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2. The State of Alaska shall recover from and have judgment against Williams Alaska Petroleum, Inc. as follows:

- a. Williams Alaska Petroleum, Inc. is liable to the State of Alaska for 75% of the State's unpaid oversight costs, with interest for the period through May 31, 2018: \$3,040,942
- b. Williams Alaska Petroleum, Inc. is liable to the State of Alaska for 75% of the costs of the piped water system paid by the State of Alaska: \$8,699,761
- c. Williams Alaska Petroleum, Inc. is liable to the State of Alaska for 75% of the State's natural resource damages: \$2,533,125
- d. Williams Alaska Petroleum, Inc. is also liable to the State of Alaska for prejudgment interest on the foregoing amounts (computed at the annual rate of 5.25 %), as follows:
 - i. Prejudgment Interest on 75% of the State of Alaska's unpaid oversight costs principal (\$2,714,853.71) under 2(a) above for the period after May 31, 2018 (or for invoices where no interest was previously assessed by ADEC, the period after the invoice) through the date of judgment: \$255,216.68
 - ii. Prejudgment Interest on 75% of the State of Alaska's piped water system costs principal under 2(b) above (\$8,699,761) from the date of expenditures through the date of judgment: \$605,433.53
 - iii. Prejudgment Interest on 75% of the State of Alaska's natural resource damages principal under 2(c) above (\$2,533,125), computed from March 6, 2014, through the date of judgment: \$804,857.09
- e. Sub-Total: \$15,939,335.30

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f. Attorney's Fees \$ _____

Date Awarded: _____

Judge: _____

g. Costs \$ _____

Date Awarded: _____

Clerk: _____

h. **TOTAL JUDGMENT:** \$ _____

i. Post-Judgment Interest Rate: 5.25%

3. The State of Alaska is further entitled to the following future recovery, injunctive relief, and declaratory relief against Williams Alaska Petroleum, Inc., as follows:

- a. Williams Alaska Petroleum, Inc. is declared strictly, jointly and severally liable for sulfolane, PFAS, and oil releases, including liability for the State's future response costs. Williams Alaska Petroleum, Inc. is declared a responsible party under AS 46.03.822 for oil and hazardous substance contamination at the former North Pole Refinery site and is subject to the requirements of 18 AAC 75 and other applicable state laws. Flint Hills is not a responsible party under AS 46.03.822 for PFAS contamination at the North Pole Refinery.
- b. The State of Alaska shall recover from and have judgment against Williams Alaska Petroleum, Inc. for 75% of the State of Alaska's future costs related to the construction of the piped water system, currently estimated to be \$3,250,000.
- c. The State of Alaska shall recover from and have judgment against Williams Alaska Petroleum, Inc. for DEC's future oversight costs.
- d. Williams Alaska Petroleum, Inc. is enjoined to perform and pay for remediation and cleanup efforts as directed by DEC with respect to sulfolane groundwater contamination beyond the former North Pole Refinery property and with respect to PFAS contamination at the Refinery property.

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e. Williams Alaska Petroleum is enjoined to:

- i. perform monitoring and reporting of sulfolane groundwater contamination beyond the former North Pole Refinery property boundary required under Alaska Department of Environmental Conservation (DEC) approved plans;
- ii. address PFAS soil and groundwater contamination at the Refinery property in accordance with DEC requirements, including characterization, monitoring, reporting, containment, and cleanup;
- iii. otherwise comply with DEC's site cleanup rules, including 18 AAC 75 and other applicable state laws, for sulfolane contamination beyond the Refinery property and PFAS contamination at the Refinery property.

Flint Hills' Claims

4. Flint Hills (Flint Hills Resources Alaska, LLC' s and Flint Hills Resources, LLC) is granted affirmative relief on its claims against Williams Alaska Petroleum, Inc. pursuant to AS 46.03.822 under Cross-Claim Count No. 1 and Counter-Claim Count No. 1, and its claims for Breach of Contract under its Cross-Claim Count Nos. 3 and 4 and Counter-Claim Nos. 2 and 3.

5. Flint Hills is granted affirmative relief on its claim for Breach of Guaranty against The Williams Companies, Inc. under Cross-Count No. 7 and Counter-Claim Count No. 2.

6. Flint Hills shall recover from and have judgment against Williams Alaska Petroleum, Inc. as follows:

- a. Williams Alaska Petroleum, Inc. is liable to Flint Hills for its equitable share of past off site sulfolane response costs:

\$52,564,318

- b. Williams Alaska Petroleum, Inc. is also liable to Flint Hills for prejudgment interest on the amount under 6(a) above (computed at the annual rate of 5.25%) from the date of expenditure through the date of judgment:

\$11,976,855.94

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c. Sub-Total: \$64,541,173.94

d. Attorney's Fees: \$ _____

Date Awarded: _____

Judge: _____

e. Costs \$ _____

Date Awarded: _____

Clerk: _____

f. **TOTAL JUDGMENT:** \$ _____

g. Post-Judgment Interest Rate: 5.25%

7. Flint Hills is further entitled to an award and recovery against Williams Alaska Petroleum, Inc., as follows:

- a. Williams Alaska Petroleum, Inc. shall pay 75% of Flint Hills' future costs related to the construction of the piped water system constructed in response to the sulfolane pollution, currently estimated at \$13,000,000.
- b. Williams Alaska Petroleum, Inc. shall reimburse Flint Hills for 75% of all future costs of offsite sulfolane remediation that Flint Hills incurs.
- c. Williams Alaska Petroleum, Inc. shall indemnify, defend, hold harmless, and reimburse Flint Hills for 100% of all future costs, expenses, claims, and damages incurred related to PFAS contamination.

8. Flint Hills shall recover from and have judgment against Williams Alaska Petroleum, Inc. and The Williams Companies, Inc., jointly and severally, as follows:

- a. Williams Alaska Petroleum, Inc. and The Williams Companies, Inc. are jointly and severally liable to Flint Hills for past damages for PFAS contamination at the North Pole Refinery. These costs and damages are liabilities of Williams Alaska Petroleum, Inc. for which Williams Alaska Petroleum, Inc. and The Williams

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Companies Inc. are 100% responsible pursuant to the
Sales Agreement and Parental Guaranty:

\$844,632

- b. Williams Alaska Petroleum, Inc. and The Williams
Companies, Inc. are jointly and severally liable to Flint
Hills for prejudgment interest on the amount under 8(a)
above (computed at the annual rate of 5.25%), from the
date of each expenditure through the date of judgment:

\$199,438.22

- c. Sub-Total:

\$1,044,070.22

- d. Attorney's Fees:

\$ _____

Date Awarded: _____

Judge: _____

- e. Costs

\$ _____

Date Awarded: _____

Clerk: _____

- f. **TOTAL JUDGMENT:**

\$ _____

- g. Post-Judgment Interest Rate:

5.25%

9. Flint Hills is further entitled to an award and recovery against The
Williams Companies, Inc., as follows: The Williams Companies shall indemnify,
defend, hold harmless, and reimburse Flint Hills for 100% of all future costs,
expenses, claims, and damages incurred related to PFAS contamination.

Williams Alaska Petroleum, Inc.'s Claims

10. All claims of Williams Alaska Petroleum, Inc. against The State of
Alaska are **DENIED** and **DISMISSED WITH PREJUDICE**.

11. All claims of Williams Alaska Petroleum, Inc. against Flint Hills are
DENIED and **DISMISSED WITH PREJUDICE**.

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The Williams Companies, Inc.'s Claims

12. All claims of The Williams Companies, Inc. against Flint Hills are **DENIED** and **DISMISSED WITH PREJUDICE**.

Costs and Attorney's Fees

13. The State of Alaska and Flint Hills may move for an award of costs and attorney's fees within 10 days after the date shown in the clerk's certificate of distribution on this final judgment as defined by Alaska Rule of Civil Procedure 58.1.

Dated this 23rd day of March, 2020.


WARREN W. MATTHEWS
Superior Court Judge Pro Tem

I certify that on 3/23/20
copies of this form were sent to:
CLERK: MC

ALL ATTORNEYS
OF RECORD IN
THIS CASE.

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IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
FOURTH JUDICIAL DISTRICT

STATE OF ALASKA,

Plaintiff,

vs.

WILLIAMS ALASKA PETROLEUM, INC.,
et al.,

Defendants.

Case No. 4FA-14-01544 CI

ORDER ON WILLIAMS' MOTION FOR NEW TRIAL
(Motion 194)

Having considered Williams' Motion for New Trial, and the opposition thereto, it is hereby ordered that the motion is DENIED.

Dated June 3, 2020.



Warren W. Matthews
Superior Court Judge Pro Tem

I certify that on 6/4/20 copies of this
form were sent to:

CLERK: 8

All parties
via email